

# Role of Trade Associations and Accreditation

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**International Workshop on  
Energy Efficiency Services Industry  
Shanghai, China  
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# Presentation Outline

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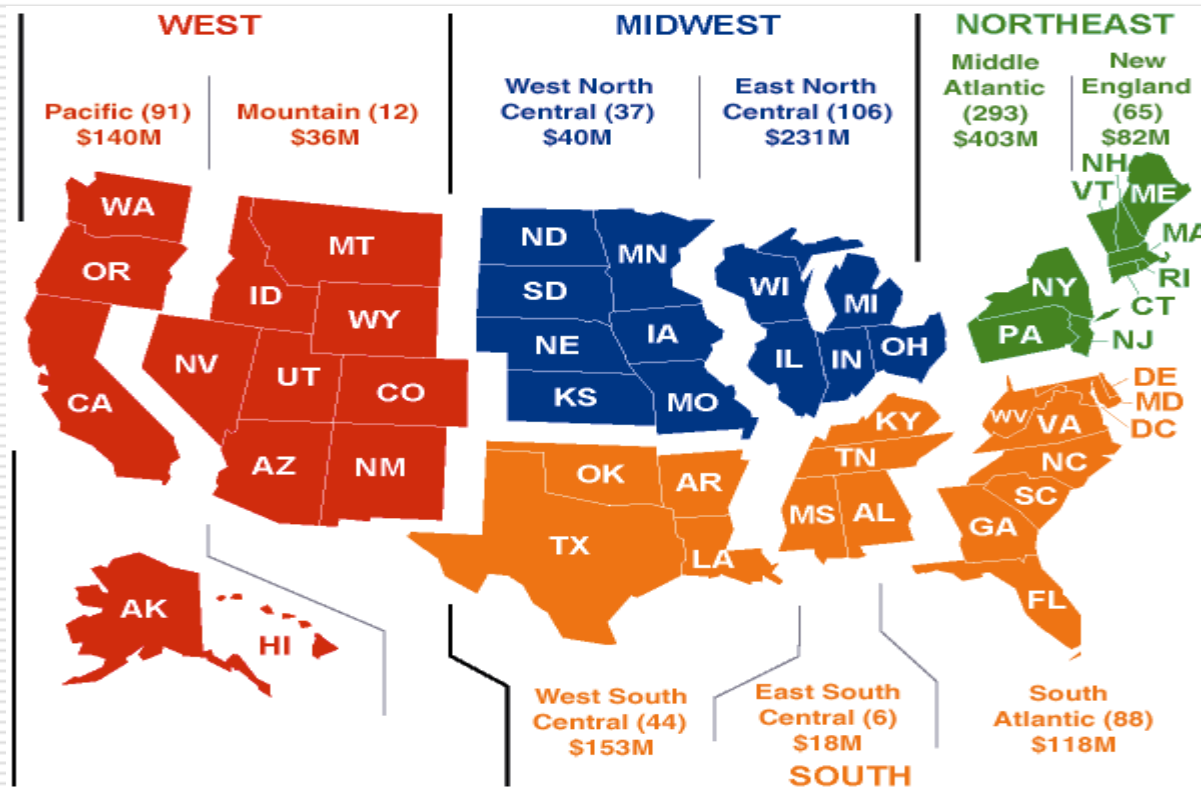
- ❑ Introduction to NAESCO
- ❑ Benefits of NAESCO to members
- ❑ Role of NAESCO with policy makers
- ❑ Value of accreditation

# Introduction to NAEESCO

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- ☐ National association – 20 years old
- ☐ Two general meetings each year
- ☐ About 120 members
  - ESCOs, equipment manufacturers, banks, engineers, consultants, utilities
  - ESCO ownership varies
    - ☐ Utilities (Sempra, Exelon, etc.)
    - ☐ Equipment companies (Siemens, Trane, etc.)
    - ☐ Energy firms (Chevron Texaco)
    - ☐ Independents

# ESCO Business Distribution



# Benefits of NAESCO to Members

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- ☐ Bigger picture
- ☐ Ideas for new products and services
- ☐ Marketplace for vendors
- ☐ Industry quality control
- ☐ Public policy and advocacy
  
- ☐ In China, all above plus training

# Bigger Picture

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- ESCO industry in perspective
  - World and national energy situation
  - National economic situation
- Trends that will affect ESCOs
  - Energy pricing trends
  - Laws and regulations
    - Electricity de-regulation in US
    - Natural gas price volatility in US
    - Environmental regulations (Kyoto)

# Ideas for New Products/Services

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- One afternoon at each meeting
  - Presentations from manufacturers
  - Case studies and project examples
- Presentations from other ESCOs
  - Share successes
  - Market is better with competition

# Marketplace for Vendors

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- ❑ Two evenings at each meeting
- ❑ Vendor showcase of booths
  - New products – demonstrations
  - New services – especially financing
  - Meet people you have talked with
- ❑ Drinks and snacks help to oil the gears



# Industry Quality Control

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- ❑ Develop standard M&V procedures
  - Industry need to prove savings
  - NAESCO led IPMVP
    - ❑ USDOE, ASHRAE and others participated
- ❑ Ethics committee reports to Board
  - Members report serious problems
  - One rotten apple spoils the barrel
  - Members can be thrown out of NAESCO

# Public Policy and Advocacy

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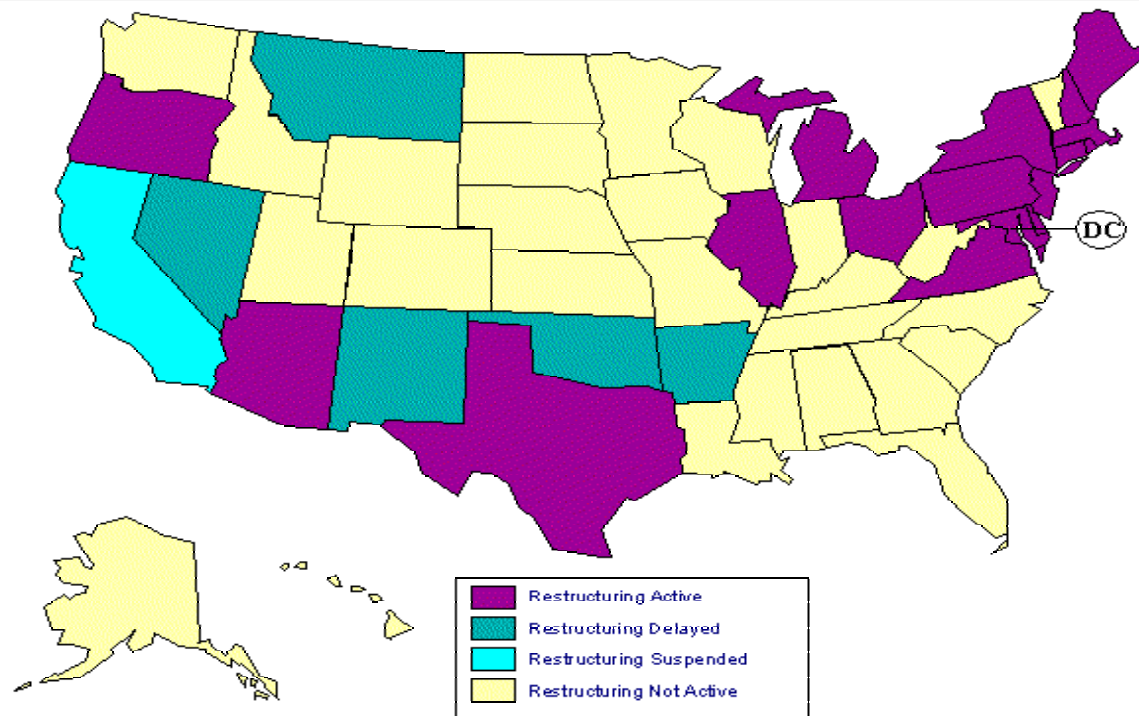
- ☐ Politics in US very complex
  - Federal president and legislature
    - ☐ What is national energy policy?
  - Federal regulatory agencies
    - ☐ Restructure the US electricity industry?
  - State governors and legislatures
    - ☐ State energy efficiency programs
  - State regulatory agencies
    - ☐ Restructuring at the state level

# NAESCO Role in Public Policy

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- Helps government understand ESCOs
  - Consults on program issues
  - What works and doesn't work
- Industry needs a unified voice
  - Participates in public proceedings
    - Example: \$400 million/year in California
    - Papers, hearings, etc.
  - Develops legislation and regulations
    - State performance contract programs

# US Electricity Deregulation



# Value of Accreditation

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- ☐ Accreditation process
- ☐ Value to members
- ☐ Value to customers

# Accreditation Process

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- ☐ Formal application to independent committee
  - 50 completed projects
  - Detailed spreadsheet of results and costs
  - Project contracts
  - Project operations and maintenance
  - Project M&V
- ☐ Committee checks customer references
- ☐ Approval by NAESCO Board

# Value to Members

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- Marketing

- Distinguish yourself from competition

- Qualification for bidders' lists

- Members want more accreditation

- Energy service providers (ESCO+supply)
  - Energy efficiency contractors
  - Energy project financiers

# Value to Customers

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- ☐ Quality assurance
  - Know that independent committee has checked out the ESCO
- ☐ Governments use as qualification tool for bidders' lists
  - Can't do their own checking
    - ☐ No staff available
    - ☐ Don't have enough technical knowledge



# Conclusion

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- ❑ Trade association valuable to growth of ESCO industry in the US
- ❑ Trade association could probably be valuable to growth of ESCO industry in China

# Additional Information

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